Mr. Ananthaiah.—In several villages, people are making *levadevi* on mortgage bonds and are getting interest on them. Income-tax officers require them to produce the bonds themselves and are not satisfied with an account of income realised. It is requested that copies of the documents may be ordered to be accepted as valid and insistence on production of original bonds stopped as that involves risk of loss of valuable documents in the course of travelling.

Dewan.—Regarding the income-tax administration several representations have been made from time to time in this Assembly. Government will refer the various defects that have been brought to notice to the Income-tax Commissioner for enquiry. He will be asked to make detailed test inspections throughout the districts and submit a report as to the revision of procedure called for to prevent hardships and inconveniences complained of.

SUBJECT NO. 39.

Appeals against the decisions of the Income-tax Commissioner.

Messrs. M. Ramachandra Rao Scindia and T. Nanjappa, Mysore Chamber of Commerce, Bangalore, and Rajappa, Grain Merchants' Association, Bangalore.

Mr. Ramachandra Rao Scindia.—Income-tax is levied at the discretion of assessing officers. It is requested that appeals against the decisions of the Income-tax Commissioner may be made to lie to the Chief Court as in British India.

Dewan.—It is not so in British India.

Mr. Ramachandara Rao Scindia.—In certain cases decisions are made arbitrarily. In such cases, appeals may be made to lie to the Chief Court.

Dewan.—If it is a question of law it goes to the Chief Court and if it is not, it goes to the Government. On all technical questions of law, the Government trusts the Chief Court to give final ruling. In administrative questions, it is the Government that takes the responsibility of passing the order. It is therefore not possible to accept the suggestion.

SUBJECT NO. 40.

Extension of the period for payment of income-tax.

Mr. A. Srikantappa, Bangalore District Board.

Mr. Srikantappa.—Assessees are required to pay the sum in two equal instalments at an interval of 30 days in each case. On default of first instalment within 30 days, the full amount will be recovered with interest at one per cent in a lump sum. This is quite unjust and the merchants' credit will be at a discount. This restriction is not enforced in the case of land revenue. If the first instalment is not paid within the first 30 days and if the whole amount is paid within the period of second instalment, no penalty is levied in the case of land revenue. It is requested that permission may be granted to pay the full amount within 60 days from the date of assessment without imposing any penalty. Our request is only for an extension of time and we do not say we will not pay the tax. It is therefore requested that this must also be placed on the same conditions as those of land revenue.

Dewan.—Land revenue rules and the income-tax rules are on a different footing. There are more chances of evading payment under this tax than under the Land Revenue Rules and in fact, there are no chances of evasion under the Land Revenue Rules. In the case of Income-tax, after the expiry of 60 days within the one year's limit, if the tax is not recovered, the Government loses its revenue and cannot recover it afterwards. Government are however agreeable to waive the recovery

of penalty if after issue of notice or default in payment of first instalment, the payment is completed within 60 days after assessment.

SUBJECT No. 41.

Removal of the penalty in cases where the assessees of income-tax fail to pay the amount in response to notice issued.

Mr. Singri Nanjappa, Tiptur Municipality.

Mr. Singri Nanjappa.—When assessees of income-tax fail to pay the tax within the period of time allowed, the amount due may be recovered as an arrear of land revenue without the imposition of any penalty.

Mr. Karnick Krishnamurthi Rao.—For merchants and others carrying on transactions individually and earning profits between Rs. 2,000 and Rs. 10,000 per annum, a separate fee, say a licensing fee, may be levied instead of income-tax which causes all the difficulty and hardship complained of.

Mr. H. Krishna Sastri.—This is against the policy of Government as regards trade and commerce and should not be accepted.

Dewan.—The principle of taxation on incomes is quite different from that of land revenue. The suggestion cannot be accepted.

(REVENUE—(REGISTRATION).

(*No. 42.*)

SUBJECT No. 42.

Modification of Rules regarding fees for searching registration references.

Messrs. (*a*) T. Guruchannabasavaiya and Abdul Nabi Khan Saheb, Tumkur Municipality and (*b*) Siddagangappa, Ramasamudra Municipality.

(*a*) (1) *Mr. Guruchennabasavaiya.*—The modified rules issued with Government Order No. P. 5552—Regis. 30-19-9, dated 6th January 1923, lay down that every application for a certified copy, unless made at the time of the registration of a document, shall be considered as an application for search and charged for accordingly. It is therefore prayed that when the date and the number of the document of which a copy is desired is quoted, certified copies may be ordered to be granted without recovery of the search fees.

Dewan.—What is the rule in the Madras Presidency?

Mr. Guruchennabasavaiya.—I am not aware of it.

Reply of Government.—All right, we will examine the matter.

(2) *Mr. Guruchennabasavaiya.*—A difference in the scale of fees, when persons search the books of the Registration Offices themselves, and when search is caused to be made by the officers of the department, may be prescribed.

Dewan.—Is the search allowed to be made by the parties? Why should this be done by them? The system of search by the parties is not desirable and the request is therefore not possible to be complied with.

(*b*) *Mr. Siddagangappa.*—Fees for searching registration references may be fixed at Re. 1-8-0 as before as the recent rates are very prohibitive and work as a hardship on poor raiyats.

Dewan.—It is not possible to fix as before.